

paid into a blocked interest-bearing account in accordance with paragraph (b) or (d) or this section.

(d) Blocked funds held in accounts or instruments outside the United States at the time the funds become subject to § 540.201 may continue to be held in the same type of accounts or instruments, provided the funds earn interest at rates which are commercially reasonable.

(e) This section does not create an affirmative obligation for the holder of blocked tangible property, such as chattels or real estate, or of other blocked property, such as debt or equity securities, to sell or liquidate such property at the time the property becomes subject to § 540.201. However, the Office of Foreign Assets Control may issue licenses permitting or directing such sales in appropriate cases.

(f) Except as otherwise licensed, authorized or directed by OFAC, funds subject to this section may not be invested, used for collateral or reinvested in a manner which provides immediate financial or economic benefit or access to the Government of the Russian Federation or its entities, nor may their holder cooperate in or facilitate the pledging or other attempted use as collateral of blocked funds or other assets.

Subpart C—General Definitions

§ 540.301 Blocked account; blocked property.

The terms blocked account and blocked property shall mean any account or property subject to the prohibition in § 540.201 and with respect to which payments, transfers, exportations, withdrawals, or other dealings may not be made or effected except pursuant to an authorization or license from the Office of Foreign Assets Control expressly authorizing such action.

§ 540.302 Effective date.

The term effective date refers to the effective date of the applicable prohibitions and directives contained in this part which is 12:01 a.m., Eastern Daylight Time, June 22, 2000.

§ 540.303 Entity.

The term entity means a partnership, association, trust, joint venture, corporation, or other organization.

§ 540.304 Government of the Russian Federation.

(a) The term Government of the Russian Federation means the Government of the Russian Federation, any political subdivision, agency, or instrumentality thereof, and any person owned or controlled by, or acting for or on behalf of, the Government of the Russian Federation.

(b) Any person or entity to the extent such person or entity is or has been, or to the extent that there is reasonable cause to believe that such person or entity is, or has been, since the effective date (see § 540.302), acting or purporting to act directly or indirectly for or on behalf of any of the foregoing.

§ 540.305 HEU Agreements.

The term HEU Agreements means the Agreement Between the Government of the United States of America and the Government of the Russian Federation Concerning the Disposition of Highly Enriched Uranium Extracted from Nuclear Weapons, dated February 18, 1993; the Initial Implementing Contract, Contract Number DE-AC01-93NE50067, dated January 14, 1994; and all current and future amendments thereto; as well as the related current and future implementing agreements, memoranda of understanding, protocols, and contracts, including all current and future amendments thereto, to include without limitation the following:

(a) Memorandum of Agreement Between the United States, Acting By and Through the United States Department of State, and the United States Department of Energy and the United States Enrichment Corporation (USEC), for USEC to Serve as the United States Government's Executive Agent under the Agreement Between the United States and the Russian Federation Concerning the Disposition of Highly Enriched Uranium Extracted from Nuclear Weapons, dated April 18, 1997;

(b) Agreement Between the United States Department of Energy and the